

EXHIBIT 7

ACT 10 -20 24

[seal:] SENATE
COMMONWEALTH OF PUERTO RICO
JOANNES EST NOMEN EJUS

SENATE
Commonwealth of Puerto Rico
THE CAPITOL
SAN JUAN, PUERTO RICO 00901

I, **Yamil Rivera Vélez**, Secretary of the Senate of Puerto Rico, hereby

CERTIFY:

That **Senate Bill 1064**, titled

“ACT

To amend Sections 4 and 9 of Act 114-2007, as amended, known as the "Electric Power Authority Net Metering Program Act", in order to reformulate the term provided to conduct a study on net metering and distributed energy; and for other purposes.”

has been passed by the Senate of Puerto Rico and the House of Representatives in the manner expressed in the attached copy.

FOR THE RECORD, and for the purpose of notifying the Governor of Puerto Rico, I hereby issue this certification at my office in the Capitol, San Juan, Puerto Rico, this first (1st) day of December of the year two thousand and twenty-three, and I affix hereunto the seal of the Senate of Puerto Rico.

[signature]
Yamil Rivera Vélez
Secretary of the Senate

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(Senate Bill 1064)

ACT

To amend Sections 4 and 9 of Act 114-2007, as amended, known as the "Electric Power Authority Net Metering Program Act", in order to reformulate the term provided to conduct a study on net metering and distributed energy; and for other purposes.

EXPLANATORY MEMORANDUM

Act 17-2019, as amended, known as the "Energy Public Policy Act," established the public policy that created the guiding principles for Puerto Rico's energy system to be a resilient, reliable, robust energy system, with fair and reasonable rates. In addition, the net metering program established by Act 114-2007, as amended, created the net metering program to encourage residential and commercial customers to install photovoltaic equipment. Through the net metering program, customers would receive compensation for excess electricity generated by their equipment and, because this was through a credit, would pay only for the net electricity supplied by the Puerto Rico Electric Power Authority (hereinafter, "PREPA") or the Puerto Rico Electric Service Company (hereinafter, "ESC").

The quarterly reports that LUMA is required to submit to the Bureau of Energy show that, in the last few years, distributed solar energy generation has reached more than 370 MW and more than 2,000 systems are being connected to the power grid every month. These systems have the potential to contribute around 52,000 GWh monthly. This dynamic reflects the great importance and value that our citizens place on solar energy generation, particularly at a time when the power grid is weakened, unreliable and poorly operated.

Rooftop solar energy provides resilience and self-sufficiency for tens of thousands of consumers, while contributing to the reduction of the treasury's investment in the purchase of imported fossil fuels, the costs of which depend on fluctuations in the relationship between supply and demand, as well as speculation in the financial markets. This reduction in the purchase of fossil fuels also results in an economic benefit to the various classes of consumers that still depend on the generation system provided by PREPA, AES and Ecoeléctrica, and the transmission and distribution system currently operated by LUMA Energy (hereinafter, "LUMA").

For the various types of consumers (citizens, businesses, NGOs and companies, among others) that can invest in the installation of photovoltaic systems, these systems have become a viable and essential alternative to mitigate problems of instability and the

high costs of an electrical system supported by burning fossil fuels. For people who depend on medical equipment to manage chronic health conditions and maintain a certain quality of life, back-up power systems supported by battery-powered solar panels can literally be life-saving.

A model created by the CAMBIO organization, in collaboration with IEEFA, in its Distributed Solar Resource Integration Study in Puerto Rico, demonstrated the feasibility of reaching a level of 75% distributed renewable energy within 15 years and that such a transformation would result in a more resilient, reliable and affordable system. This model also demonstrates that no operational changes or grid improvements would be needed to maintain system reliability until the amount of distributed renewable energy reaches at least 25% of the country's energy consumption.

Net metering is key for consumers to have the right to take advantage of clean, local energy in order to achieve self-sufficiency while at the same time providing benefits to the grid.

The rapid growth of rooftop solar power generating equipment in recent years is consistent with public energy policy. Unfortunately, this growth has been largely driven by the energy needs of various classes of consumers, by the instability and high costs of our energy system, and by encouraging compensation of energy prosumers through the net metering program. The net metering program plays a key role in the implementation of the public policy objectives established in Act 17-2019, including "facilitating the interconnection of distributed energy to the power grid" and "making it viable for energy service consumers to become prosumers" Currently there are no other incentives available to the various consumer groups that choose to install solar systems.

It should be very clearly understood that reducing the credit that prosumers receive for the energy their systems generate could be interpreted as another effort to impose a "sun tax", a move that has been and should be strongly rejected. Imposing such a measure would contribute to the further deterioration of a chaotic market that is trying to grow, and would delay the country's economic recovery.

This Legislative Assembly encourages the continued development of policies that evaluate and implement a variety of renewable energy alternatives. Therefore, any effort to weaken the net metering program would be counterproductive for the country. There are too many factors contributing to the deficiency of the electrical system that the Government offers, and the reliability of the electricity grid has worsened since LUMA was contracted. Thus, practically, the only alternative left to the various consumer groups is the installation of solar systems, with or without battery systems. It would therefore be very unfair to undermine their ability to install photovoltaic systems at a time of high system instability and high fuel prices, among other factors.

Therefore, it is our responsibility to promote the transformation of our electrical system and to encourage all initiatives that seek to avoid excessive dependence on fossil fuels and environmental pollution, and that increase the effects of climate change. Every day more and more jurisdictions are moving towards the production of energy through renewable sources, and for this reason more and more programs are being created to encourage it. This is why it is essential to promote the reconstruction and modernization of our electric grid and to use the federal funds allocated for this purpose correctly. For this reason, it is necessary to ensure that a substantial portion of these federal funds is used to increase the capacity of the grid through systems that generate electricity through renewable energy sources and to interconnect those systems with the transmission and distribution grid, without thereby entailing an increase in customer costs or the implementation of new taxes.

In keeping with the foregoing, this Legislature deems it proper to amend Act 114-2007, as amended, so that the letter of the Act is consistent with legislative intent, namely that customers who install their photovoltaic systems should be fairly compensated for the energy they contribute to the power grid.

BE IT DECREED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- Section 4 of Act 114-2007, as amended, known as the "Electric Power Authority Net Metering Program Act," is hereby amended to read as follows:

"Article 4.- Applicable rate.

a) Study on Net Metering and Distributed Energy. - The Bureau of Energy is hereby directed to conduct a study through a formal independent procedure, with the participation of interested parties and the general public, in which it shall evaluate and consider the costs and benefits associated with: (1) the net metering program, (2) distributed generation technologies, (3) smaller-scale solar energy, and (4) energy storage systems. Said study shall commence no earlier than January 2030, shall be subject to public comment, and shall take into consideration the following factors: energy generation costs, the value of capacity, transmission and distribution costs, the losses prevented in the system, and the environmental compliance costs avoided, among other factors that the Bureau determines to be relevant and appropriate. After the study is concluded, the Bureau may make any determination related to the net metering program, taking into consideration the results of such study, provided that the current net metering policy shall continue while the study is being carried out, and for a period of not less than 12 months after the Bureau of Energy makes any decision to change the net metering policy. Once the results of said study are integrated into the net metering program or rate, the study shall remain in effect for no less than three

(3) years and until the Bureau, acting on its own or at the request of another party, determines that it is appropriate to initiate a formal review procedure of this study.

b) Determination of applicable rate - In the event that the Bureau of Energy chooses to establish new values for distributed energy and energy storage systems on the basis of the study described in the preceding subsection, the credit for energy exported by net metering customers shall be equal to the value of such energy in accordance with the rate applicable to the customer, and any charge applicable to net metering customers shall be based on their net consumption, for a period of at least 12 additional months before any change in such values is applied by the Bureau of Energy. The rate applicable to net metering customers, including the rate or mechanism through which the customer will be compensated for the energy supplied to the electric network, shall be determined exclusively by the Bureau of Energy as part of the rate review procedure for electric service as set out in Act 57-2014, or through a separate administrative procedure, when it deems such procedure to be necessary or appropriate. Any determination with respect to the net metering program shall enter into force within the term set by the Bureau. Any customer who, on the date on which the Bureau issues its final determination, has a net metering contract or who has notified the Bureau of the certification of a distributed generator installed by a licensed and registered engineer or by a licensed and registered expert electrician, shall automatically be considered as a grandfathered net metering customer under the rate in effect prior to the Bureau's final determination. In such cases, the net metering customer shall be entitled to the rate or compensation mechanism in effect at that time for a term of not less than twenty (20) years, counted from the date of such final determination related to net metering. Notwithstanding the foregoing, the net metering customer shall have the right and the option to choose to avail itself of the new rate or compensation mechanism approved by the Bureau.

c) ...

... ”

Section 2.- Subsection (c) of Article 9 of Act 114-2007, as amended, known as the "Electric Power Authority Net Metering Program Act," is hereby amended to read as follows:

"Article 9.- Interconnection Public Policy.

...

(a) ...

(b) . . .

(c) A feeder exceeding its capacity shall not constitute an impediment to the interconnection of photovoltaic or renewable energy systems with a generating

capacity not exceeding 25 kilowatts. In these cases, the necessary improvements and/or changes to the feeder will be at the expense of the requesting company.

(d) ...

... ”

Section 3.- Compliance Clause.

The Bureau of Energy is hereby authorized to approve or amend such regulations as may be necessary to comply with the purpose of this Act.

Section 4.- Separability.

If any clause, paragraph, subparagraph, sentence, word, letter, article, provision, section, subsection, title, chapter, subchapter, or part of this Act is annulled or declared unconstitutional, the resolution, ruling, or judgment issued to such effect shall not affect, impair or invalidate the remainder of this Act. The effect of said judgment shall be limited to the clause, paragraph, subparagraph, sentence, word, letter, article, article, provision, section, subsection, title, chapter, subchapter, or part thereof that has been annulled or declared unconstitutional. If the application to a given person or circumstance of any clause, paragraph, subparagraph, sentence, word, letter, article, provision, section, subsection, title, chapter, subchapter, or part of this Act is invalidated or declared unconstitutional, the resolution, ruling or judgment issued to such effect shall not affect or invalidate the application of the remainder of this Act to those persons or circumstances to which it may be validly applied. It is the express and unequivocal will of this Legislative Assembly that the courts shall enforce the provisions and application of this Act to the greatest extent possible, even if any part of it is rendered null and void, annulled, invalidated, impaired, or declared unconstitutional, or even if its application to any given person or circumstance is rendered null and void, invalidated, or declared unconstitutional. This Legislature would have approved this Act regardless of any determination of severability that the Court may make.

Section 5.- Effective term.

This Act shall enter into force immediately after its approval.

[signature]

President of the Senate

[signature]

President of the House

[stamp:] Passed on January 10, 2024

[signature]

Governor

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This Senate Bill Number 1064
was received by the Governor
Today the 9th day of January
of 2024 at 3:46 p.m.
[signature]
Advisor



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TRANSLATOR'S CERTIFICATE OF TRANSLATION

Translation from: Spanish (Puerto Rico) into English (US)
TARGEM Translations Inc.

I, PHILLIP BERRYMAN, ATA-certified Spanish-English #432118, acting as translator at TARGEM Translations Inc., a NEW YORK City corporation, with its principal office at 185 Clymer Street, Brooklyn, NY, 11211, USA, certify that:
the English translated document is a true and accurate translation of the original Spanish and has been translated to the best of my knowledge.

Original Document Name: **Ley 10-2024**

Signed this 15th day of March, 2024



A handwritten signature in black ink that reads 'Phillip Berryman'.

Phillip Berryman

